

## **ABSTRACT**

A payment system that does not rely on credit or debit cards, does not require the merchant and purchaser to have compatible memberships to complete a transaction, and does not limit single transactions to a single account provides a wide range of flexibility permitting debit, credit, pre-paid  
5 and payroll cards to be accommodated in a seamless and invisible manner to the electronic transaction network. The transaction may be verified and approved at the point-of-sale whether or not the merchant is a member of a specific financial transaction system. Specifically, the point-of-sale transaction system permits an identified customer to use any of a variety of payment options to complete the transaction without requiring the merchant to pre-approve the type of payment selected  
10 by the customer. In one configuration, and in order to take advantage of the widespread use of the ATM/POS network, the invention uses a typical credit/debit card format to provide the identifying information in a stored value card. When a transaction is to be completed, the user enters the identifying information carried on the card at the point-of-sale. This can be a merchant or other service provider at a retail establishment, or on-line while the user is logged onto a web site, or other  
15 location. The information can be swiped by a card reader, or manually entered via a keyboard or other input device. The system supports a wide range of flexibility, permitting issuing systems such as parents and state welfare agencies to restrict the types of authorized uses, and permitting users to access accounts in a prioritized manner. Further, the accepting merchant is not required to be a member because settlement with the merchant may be made via the Federal Reserve Automatic  
20 Clearing House (ACH) system by typical and standard electronic transfer. This permits the merchant to take advantage of the lower ACH transaction fees with even greater convenience and flexibility than the current ATM/POS system. The system supports numerous types of identification methods from typical credit card structures with magnetic data strips to various biometric systems

such as finger prints, facial recognition and the like. Specifically, once the user is identified, the transaction is managed by his membership data on record with the transaction processing system.